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BUMED INSTRUCTION 6320.81

From: Chief, Bureau of Medicine and Surgery

Subj: CHANGE IN SERVICES PROVIDED AT NAVAL MEDICAL AND DENTAL TREATMEN

Ref: (a) DoD Instruction 6015.20 of December 3, 1992 (NOTAL)
(b) BUMED Washington DC 052330Z Jan 90 (NOTAL)
(c) MANMED chapter 21

Encl: (1) Major or Non-BRAC Changes in MTF and DTF Services
(2) Health Care Delivery Transition Plan Considerations
(3) Cost Analysis Methodology

1. Purpose. To implement reference (a) and provide guidance for reporting major changes in services provided at naval MTFs and DTFs.

2. Cancellation. NAVMEDCOM Instruction 6320.25.

3. Background

a. Reference (b) canceled the Beneficiary Information System (BIS) reporting requirements, which were used to notify proper authorities of changes in the availability and level of medical services (by types of service) provided at continental United States (CONUS) MTFs. Reference (b) also renewed the requirement for notifying the Assistant Secretary of Defense for Health Affairs (ASD/HA), via the chain of command, of major changes in medical services before implementation.

b. MTFs have long realized their responsibility for keeping their beneficiaries notified of changes in availability or level of medical services. Proactive marketing campaigns have proven extremely effective in this regard. Beneficiary awareness, understanding, and stress abatement are common objectives in highly successful campaigns.

4. Definitions

a. Dental Treatment Facility (DTF). A clinic that provides outpatient dental care, which may include a wide range of specialized and consultative services, to eligible beneficiaries.

b. Medical Treatment Facility (MTF). A facility that provides inpatient or outpatient medical and dental care to eligible beneficiaries.

5. A Major Change Shall Do the Following:

a. For a period of 6 months or more, change the current volume of care provided to one or more categories of beneficiaries at an MTF or DTF by any medical or dental specialty, ancillary service, or satellite clinic by 10 percent or more at large facilities (over 250 beds) to 50 percent or more at small facilities (0 to 50 beds).

b. Has an impact on users that may stimulate local public or congressional objections. Such changes include:

(1) Opening or reinstating services.

(2) Temporarily closing services for 90 days or more, or for an indefinite period.

(3) Significantly increasing or decreasing MTF and DTF capabilities (for 90 days or more, or for an indefinite period) in one or more services through:

(a) Staffing reassignments.

(b) Provider productivity changes.

(c) Facility repairs or renovations.

(d) Ward and unit closures.

(e) Equipment breakdowns or acquisitions.

(f) Supply shortages.

(g) Contracting.

(h) Implementation of Department of Veterans Affairs sharing agreements.

(i) Implementation of internal and external Civilian Health Services Partnership Program or Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Reform Initiative.

c. May result in permanent closure of a facility or a service.

6. Reporting Requirements

a. Use enclosure (1) to report major changes, reductions, or closures (paragraph 5) that do not result from base realignment and closure (BRAC) actions. Report changes contained in paragraph 5 to the Bureau of Medicine and Surgery (BUMED) (MED-3122), via the chain of command, at least 120 days before the scheduled change date. BUMED will coordinate requisite approval from ASD/HA, via the Deputy Assistant Secretary of Defense (Health Service Operations) (DASD(HSO)). Permanent closures require similar reporting, but shall be forwarded for approval at least 180 days before the action is scheduled.

b. Reference (a) requires MTFs and DTFs involved in BRAC actions to devise a health care delivery transition plan to accommodate beneficiaries during the change period. As a minimum, the activity's transition plan should address the considerations contained in enclosure (2). Forward final plans to BUMED (MED-3122), via the chain of command, at least 180 days before the first service is scheduled to close. BUMED will coordinate requisite approval from the ASD/HA via DASD(HSO). Annual updates must be submitted within 60 days of the end of each fiscal year (FY) and shall identify each service phased-out during that FY. This annual reporting requirement terminates after the final service is closed.

c. While prior approval is not required for service reductions that are caused under the following circumstances, MTFs and DTFs will comply with the reporting requirements of paragraph 5a for the following situations:

(1) When a facility is rendered structurally unsound by a natural disaster.

(2) During an initial response to an emergency deployment of medical personnel, such as Operation Desert Shield.

(3) Change in a Status of Forces Agreement (SOFA), such as the closure of U.S. Naval Hospital, Subic Bay, Republic of the Philippines.

7. Responsibilities

a. Commanding officers and officers in charge shall:

(1) Forward the appropriate report or plan to BUMED (MED-31) for endorsement, via the respective responsible line commander (RLC) and healthcare support office (HLTHCARE SUPPO).

(2) Keep beneficiary populations informed of medical services availability.

b. Officers in charge of HLTHCARE SUPPOs shall:

(1) Monitor each MTF's compliance with this instruction.

(2) Endorse and forward command notification letters to (MED-31) in a timely manner.

c. BUMED-31 will coordinate and prepare endorsements to ASD/HA, for signature by the Secretary of the Navy when notified of a major change or reduction in medical services. Notify involved facilities of modifications to the reporting requirements contained in enclosures (1) or (2), as appropriate.

8. Report. Report control symbol DD-HA(AR)1776(6320) is assigned to the reporting requirements in paragraph 6.

D. F. HAGEN

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MAJOR OR NON-BRAC CHANGES IN MTF AND DTF
SERVICES REPORT FORMAT

1. Name, UIC, and location of the MTF or DTF.

2. Proposed effective date for each change by Medical Expense and Performance Reporting System (MEPRS) code.

3. Type of capability change (gains or losses) by MEPRS code and reason for the change.

4. Workload impact summary, by MEPRS code and category of beneficiary, to address gains or losses in number of outpatient visits, admissions and occupied bed days, or ancillary service units.

5. The net impact (by fiscal year) to facility resources resulting from the proposed change (net increase or decrease in operational funds, staffing levels, facility costs, etc.). See Section I of enclosure (3) for cost-analysis guidance. Workload changes shall be applied to approved staffing standards to calculate adjustments to existing staffing requirements.

6. The projected increase or decrease in Government and beneficiary CHAMPUS or MEDICARE cost-sharing expenses that the proposed changes will produce. (Section II of enclosure (3) refers.)

7. If a reduction in service is expected, identify cost affective health care alternatives to support affected beneficiaries without any adverse impact.

8. Point of contact with commercial and DSN phone numbers.

HEALTH CARE DELIVERY TRANSITION PLAN CONSIDERATIONS

1. Health Care Services

a. Plan (chronology) for the phaseout of services, reorganization (e.g., from hospital to clinic operations), or eventual closure (provides the basis for human resource, facility, and financial planning).

b. Anticipated workload and staffing requirements during phaseout and after closure.

c. Plan or schedule to change emergency room (ER) designation level.

2. Education and Marketing

a. Inform active patients of service discontinuation and provide referrals, as required.

b. Inform catchment area beneficiaries of service phaseout selected alternatives.

c. Inform catchment area beneficiaries of service alternatives in their prospective realignment areas.

d. Inpatient, outpatient, and diagnostic referral policies in support of existing beneficiary population.

3. Human Resources

a. Anticipated clinical and supporting staffing requirements by type (physician, nurse, administration, etc.) during varying phases of the drawdown period (based on 6-month increments).

b. Transfer month and year of authorized billets based on anticipated staffing requirements for varying phases of the draw-down period (based on 6-month increments).

c. Plan for downsizing civilian employees (by transfer, outplacement, reduction in force (RIF), etc.) in conjunction with anticipated schedule of service phaseouts, and for providing outplacement and benefit information for affected civilian staff.

4. Facility Management

a. Plan for reduction in supply requirements, termination of supply and equipment service contracts, and availability of equipment for relocation to other facilities (based on service phaseout plan).

b. Plan for employee and patient record disposition and archiving (consider impact on alternative service providers for remaining beneficiaries, and related support requirements at gaining realignment site).

c. Plan for hazardous waste removal in conjunction with service, DoD, and local guidelines.

d. Plan for the disposition or transfer of controlled substances following reference (c) and Federal laws.

COST ANALYSIS METHODOLOGY

SECTION I: CALCULATING MTF AND DTF FACILITY COSTS

A. Data Sources

1. Identify the source and location of all data sources.

2. Use preceding (complete) fiscal year data.

B. Outpatient and Inpatient Direct Care Costs

1. Determine cost of consumable supplies for outpatient or inpatient service.

2. Determine workload for each service by MEPRS code.

3. Compute cost to workload ratio.

4. Multiply ratio by anticipated change in workload.

C. Ancillary Service Costs

1. Determine the average number of prescriptions, laboratory tests, or radiology procedures per outpatient encounter or occupied bed day (by each specialty).

2. Estimate the average change in workload.

3. Calculate the average cost for prescription, laboratory test, or radiology procedure for each outpatient and inpatient workload specialty.

4. Compute supplemental ancillary service costs by performing the following computations:

[(1) x (2)] x (3) = Additional Ancillary Service Costs

D. Cost Summary

1. Add costs calculated in parts B and C.

2. Adjust costs by approved inflation rates.

3. Adjust costs to include increases or decreases in civilian labor costs resulting from workload changes.

4. Account for purchased service cost increases or decreases caused by workload changes.

5. Account for minor equipment, investment equipment, and minor construction cost increases or decreases resulting from workload changes.

SECTION II: CALCULATING CHAMPUS COSTS

A. Determining Workload

1. Identify workload to be shifted by beneficiary category and procedure code/diagnostic related group (DRG).

2. Identify applicable trade-off factors and use same to determine adjusted workload.

B. Determining Workload Costs

1. Determine Government portion of CHAMPUS allowable costs (by beneficiary category) for each procedure code/DRG identified above.

2. Compute CHAMPUS impact by multiplying adjusted workload

by expected Government costs.

C. Compare Facility and CHAMPUS Costs Over 5-Year Period